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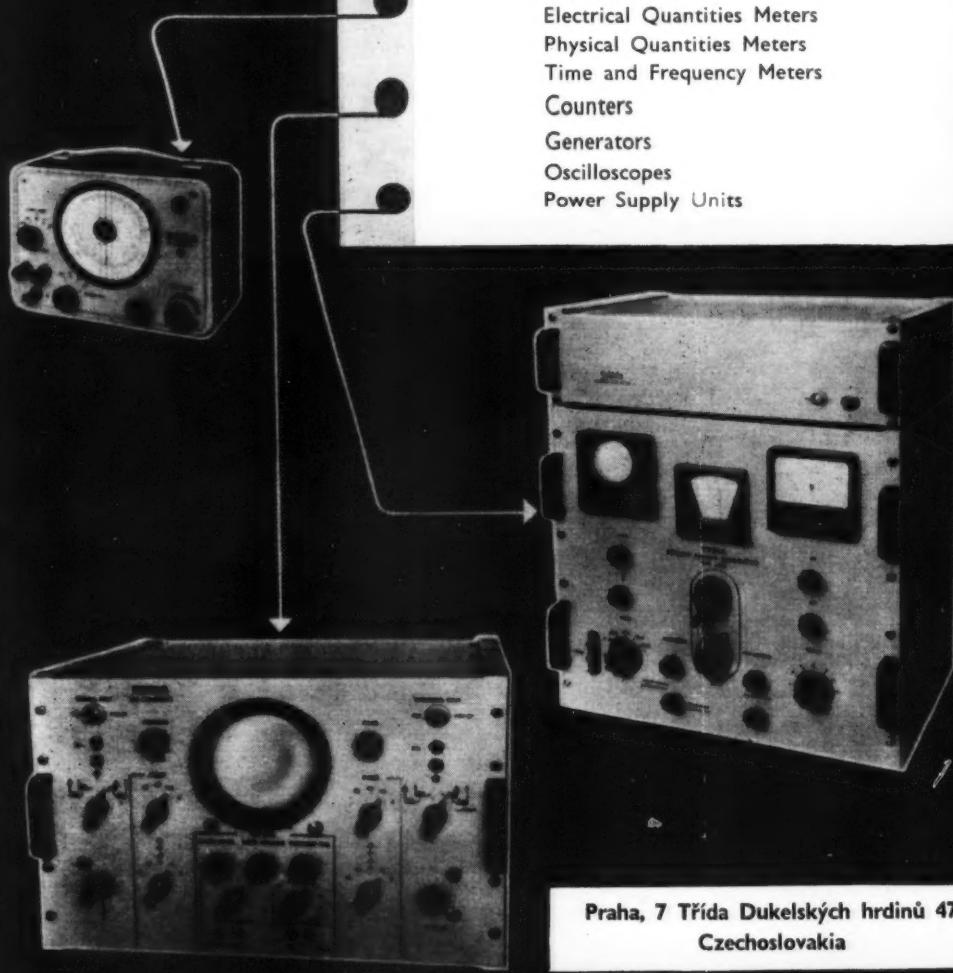


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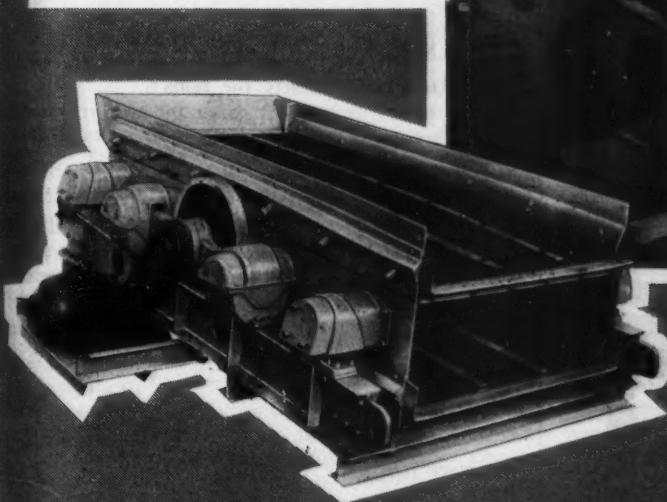
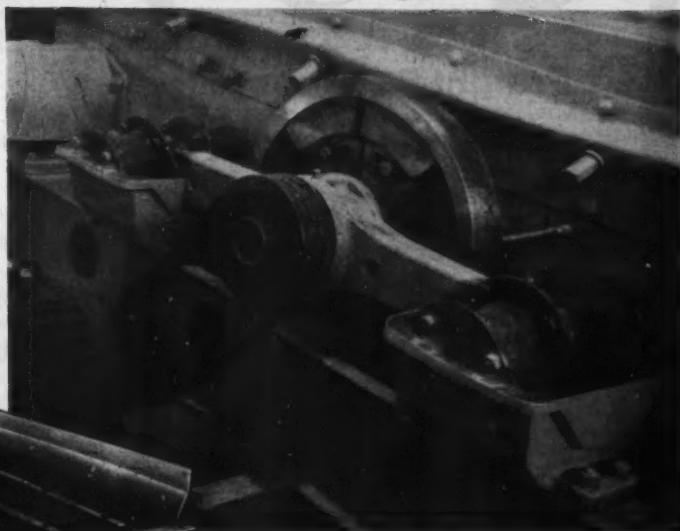
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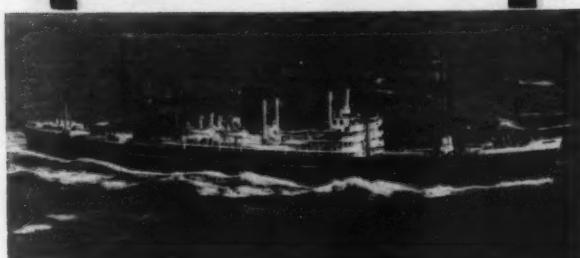
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Non-Aligned Initiative

THE Belgrade Conference in the early days of September turned out to have been far better timed than the countries organising it could possibly have foreseen. The gathering clouds of the Berlin crisis and the resumption of nuclear tests by the Soviet Union turned the eyes of the world with tentative and only half-believing hope to this meeting of twenty-five heads of government. The hope proved justified. On the second day of the conference Mr. Nehru persuaded his colleagues to put first things first by concentrating on the question of war or peace rather than colonialism and racism. The multitude of new nations—regarded by both the power blocs at the United Nations as something of an anomaly, in possession as they are of a potentially decisive number of votes, yet not an H-bomb status symbol among them—succeeded in bringing down the temperature of the two biggest powers. With one bold appeal, they got the Russians and the Americans to think again over Berlin. By so doing, the neutral powers emerged on the world stage in parts hitherto reserved exclusively for the big powers themselves. The neutral powers have begun to develop their strength in the critical questions of peace or nuclear war, and of a German settlement.

Official opinion in the US and Britain responded with a reflex of indignation and censure that the Belgrade powers should have failed to regard the resumption of Soviet nuclear testing as the signal to give up their non-alignment and join with the West. On the other side, though without any weakening of friendly relations, the Russians have been somewhat on the defensive about their tests. Only China has made use of the opportunity again by misinterpreting Nehru's statements. To present Nehru's plea at the conference to put the question of disarmament and peace before that of colonialism as proof that he is at heart an imperialist must have pained all those who wish to see China restored to her rightful place in the counsels of the world.

In their final communiqué, the Belgrade countries enumerated the issues of primary interest to them. In the United Nations they will undoubtedly bring them forward: the need for a world disarmament conference, for reorganisation of the UN in keeping with the changes in its membership, for colonial freedom, for China's place in the world organisation, for larger UN funds for the developing countries. The non-aligned nations, jointly and separately, support these issues. Sooner or later they will, it is recognised, be the dominant voice on these questions in the UN.

In Belgrade they have said their say that they, too, have a right to survive, and therefore to restrain the nuclear powers from resorting to war. They may now reasonably be asked

to take the logical next step of putting forward definite proposals to resolve the Berlin and disarmament impasse.

Nehru in Moscow

DURING the Nehru visit to Moscow, Indo-Soviet relations were described by Khrushchev as "unbreakable". This was *after*, not before, Nehru had bluntly told his hosts both in private and public that India was opposed to any kind of nuclear testing for any reason whatsoever. The harmony between the two leaders, obvious to all, remained undisturbed. Close Indian observers have commented on their mutual respect and understanding. Mr. Nehru returned home without the slightest doubt that Mr. Khrushchev intends to solve the Berlin question by peaceful negotiation, and to reach a general and comprehensive disarmament agreement with the West.

Before leaving for Belgrade, the Indian Prime Minister made a number of statements in Delhi on the German and Berlin questions. They were made on successive days, and alternately dismayed and reassured the West about where India really stood. This was largely due to Nehru's habit of feeding the Indian Parliament in small doses with his views on vexed world issues. In Belgrade, however, in Moscow and again later in Delhi, Nehru brought together a more or less complete formulation of Indian policy on Germany which can be roughly summarised as follows:

Two sovereign German states exist, and should be recognised; the eastern frontier of Germany along the Oder-Neisse line should be fixed; the best solution for West Berlin is to be found broadly along the lines of the Soviet proposal for a free city.

This clarification on Germany should make for a better understanding on all sides. For several years past both West and East Germany have made India the target for their respective demarches and propaganda appeals, each wanting India's declared support for itself. Moscow, too, would have liked a clear statement from India. The West on the other hand, especially Britain, thought it better for India to stay out of central European questions, which, it was hinted, were none of her business anyhow. Nehru himself, less than a year ago, was inclined to agree, and maintained stubborn silence on Germany. That phase is now over. India will probably take the initiative in a common stand at the UN by the Afro-Asian countries.

Though there could never have been any real doubt where India stood on the German question, this clear enunciation is bound to strengthen those who seek an early solution to the problem. Khrushchev has therefore every reason to welcome Nehru's clear recognition that the German question and dis-

armament are inextricably entangled and must be tackled together. India and Russia will often differ on ways and means—witness their differences over the Congo, the late Dag Hammarskjold, and nuclear tests—but there is a growing understanding what the means must be if the world is to remain alive.

Disappointment over Laos

HIgh hopes were raised in Asia by Mr. Kennedy's announcement in the early days of his administration that the US had reviewed its policy on the Laos situation and would help to establish a neutral and independent state there. This proved also the sole point on which he and Mr. Khrushchev were able to agree in Vienna last June. But in practice the American delegation in Geneva is finding it very difficult to fulfil its promises. After accepting the principle that all foreign military personnel should be withdrawn from Laos, for example, the Americans now insist that no withdrawal will be made till international control points have been established all over the country. This demand has in effect been made a precondition for the withdrawal of American personnel. Averell Harriman, leader of the American delegation, is also said to be interfering in the country's internal affairs by demanding that the coalition government envisaged under Prince Souvanna Phouma must not be Communist-dominated. This is tantamount to an American veto on any cabinet not to the liking of Washington.

US intervention in the affairs of South Vietnam is another matter causing annoyance in Asia. The Kennedy administration has greatly increased American military aid as well as American personnel in that unhappy country. With the support of the US, Ngo Dinh Diem has pushed to extremes his repression of all villagers suspected of being Communist sympathisers. Dangerous to peace in that part of the world are the probing sallies on land and in the air against North Vietnam. Though the actual deeds are committed in the name of Ngo Dinh Diem, Asians tend to see in them the hand of Washington.

City and CENTO

THREE has been considerable resentment in India of remarks made by London's Lord Mayor, Sir Bernard Waley-Cohen during the latter's "goodwill" tour of the Far East. While in Calcutta, Sir Bernard criticized Mr. Nehru's comments in support of Lord Russell's anti-nuclear activities and objected to the Indian Prime Minister expressing an opinion which was essentially a matter "for the internal conduct of England". Sir Bernard later explained that, "as Mr. Nehru had accepted the freedom of the City of London, he had to some extent put himself under the discipline of the Lord Mayor of London . . ." and he considered it "out of place", "wholly unsuitable and inappropriate" for a Prime Minister of a Commonwealth nation "to say such things about the internal affairs of another Commonwealth nation". The Indians have quite "appropriately" dealt with Sir Bernard's remarks which they call "undignified" and "in bad taste", but the matter is of great interest for other reasons. It shows the complete lack of understanding which many prominent

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western dignitaries display of the feelings and problems of the East in particular and of world realities in general. Apart from the fact that it seems preposterous to expect the Indian, or any other Prime Minister not to comment on or even criticize "internal" affairs of other countries (the essence of international politics), anything connected with nuclear arms, whether for or against them, affects all countries of the world and has long ceased to be the "internal affair" of Britain or any other country. As we have never heard Mr. Nehru censored whenever he praised the activities of a country—although he is under the discipline of London's Lord Mayor—but as he was rebuked for showing his sympathy with anti-nuclear demonstrators, we must take it that Sir Bernard supports nuclear armament and he must not be astonished that such an attitude will not be understood by Asian countries particularly after the enormous nuclear dangers right on their doorsteps have been revealed by the recent exposure of secret CENTO documents.

These documents, which have fallen into the hands of the Russians clearly demonstrate the lethal role of the so-called "defensive" military pacts. Not only CENTO, but also SEATO and NATO are involved, and the exposure of the CENTO documents has brought home to Asian countries that the West is quite prepared to sacrifice large parts of Asia to further its objectives. The most monstrous revelation supplied by the documents, which contain detailed nuclear target lists of Soviet towns from the Caucasus to Turkestan and the Sinkiang area, is the existence of "interdiction targets" which involve the nuclear annihilation of 41 targets inside the territory of the CENTO members themselves, and on the territory of neutral countries. The majority of these "interdiction" bombs would be dropped in Iran, several in Pakistan and some north and west of Kabul in Afghanistan. The documents show, therefore, what is in store for the members of the military pacts themselves and for the neutrals around them. The contemplation of a zone of interdiction in itself shows that large parts of the CENTO countries together with their neutral neighbours, would be turned into deserts of death, which would lead towards general and complete devastation of most of Asia.

No wonder Mr. Nehru considers himself more bound to support Lord Russell's activities than "under the discipline of the Lord Mayor of London".

AFGHANISTAN'S BIG STEP

H. C. TAUSSIG

THE rupture of diplomatic ties between Pakistan and Afghanistan at the instance of the latter, is drawing world attention to the dangerous question of Pakhtunistan which has bedevilled the relations between the two countries ever since the emergence of the Pakistan state. It is a problem much older than Pakistan itself, and has been acute since 1894 when the "Durand Agreement" was forced on Afghanistan's Amir Abdur Rahman, cutting off five million Pathans from their fellow tribesmen in Afghanistan and from the jurisdiction of Kabul. The Durand Line, neither based on topographical, ethnic or anthropological reasons, was bitterly resented not only by Kabul, but by the tribesmen themselves. The territory thus denied Afghanistan, never formed an integrated part of British India, but remained, as its North-West Frontier, its most turbulent, unruly region. With fanatic determination did the Pakhtuns resist any pacification, and their repeated uprisings necessitated more than thirty large-scale military expeditions during British rule. In one of these operations 40,000 troops, equipped with modern weapons and air support, were employed against the Waziris alone, and that without apparent result. Free tribal territory remained hostile, unpenetrated and unconquered amidst its sun-baked, rugged rocks. Constituting more than half of the North-West Frontier Province, it stayed virtually untouched by British administration.

At the time of Partition in 1947 any hopes the Pakhtuns may have had to form their own state of Pakhtunistan, were dashed. In a referendum organised by Britain, the Pathans were given an opportunity of deciding whether they wanted to join Pakistan or India, but were not asked whether they wished to join Afghanistan or, the fourth and most important alternative, to form their own state. Under these circumstances, the only organised Pathan political party, under its leader Khan Abdul Ghaffer Khan, decided to boycott the referendum. As a result, over 50 per cent. of the population of the Administered Area to which the referendum was confined refused to vote. The validity of the plebiscite remained therefore, challenged by the tribes and the claim for a separate state of Pakhtunistan gained new momentum. Pakhtunistan, inhabited by five million people, is envisaged to cover an area of 190,000 square miles stretching from the Pamirs in the north to the Arabian Sea and the Iranian frontier in the south, with the Afghan border and the Indus River at its banks. Afghanistan is actively backing the Pakhtunistan idea and, as the tribes themselves are not in a position to do so, has brought the matter into international limelight. Pakistan has thus inherited a fruit of colonialist sins. She is naturally, unwilling to lose a large slice of her territory, and has done whatever she could to placate the tribes. Pakistan tackled the problem in good faith, convinced that, as an Islamic state, she would be more acceptable to the Pathans than the infidel British had been. Great attention was paid to the susceptibilities of the proud and intensely nationalistic tribes in the mountains, and a great effort made to offer them social and economic benefits. There is no doubt that the

situation has vastly improved, at least in some areas which I was able to visit myself. In places where a few years ago it was unsafe to travel by day—and impossible by night—I was able to move freely without escort, at any time. Larger and smaller development schemes seem to have brought much better living conditions to the tribal areas and a general demand for education and social services. Many new schools and hospitals have been, and are being built and, if anything, the Pathans seem to be given preferential treatment in many respects. President Ayub Khan himself, and many prominent Pakistani Army and Government people are Pathans. Pakistan officially denies that there is any serious wish amongst the tribes to form Pakhtunistan, and admits only minor incidents caused by local "trouble makers" or Afghan agents.

Yet, unfortunately, the situation must be more grave than Pakistanis are prepared to admit even to themselves. The fierce nationalism of the Pakhtuns does not seem to have been pacified. Pakistan is forced to keep substantial numbers of troops on the Afghan border, and it is estimated that about 5,000 supporters of the Pakhtunistan idea are at present in Pakistani prisons because of their political convictions. Probably, both sides are right: there must be many Pathans who would prefer to be left in peace and accept the *status quo*, and there must be many whose nationalism will never be appeased and who will always fight for Pakhtunistan. Pakistan will, therefore, not be able to ignore the question, for as long as it exists her relations with her western neighbour will be in jeopardy, just as her connections with her eastern neighbour will remain unsatisfactory as long as the Kashmir problem has not been eliminated. And just as they insist that a plebiscite should be held in Kashmir, so they may have to consider one day agreeing to one among the Pakhtuns.

The tragedy is that all the countries involved in these problems are lovable, that they have the highest regard for one another and that, if these respective problems were solved, they could live in great harmony together, to the great political, economic and social advantage of all concerned. Despite the big quarrel, therefore, and all the innumerable smaller irritations arising from it, the Pakistani spokesman

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who announced that diplomatic relations had been severed at the instance of Afghanistan expressed the real feeling between the two countries when he said Pakistan felt "very sad and sorry" that this action was not in the interest of the Afghan people for whom "we have much love and affection".

Both these assertions are true. Pakistan herself, buying dried and fresh fruits to the amount of 100 million Afghanis, only takes 5.9 per cent. of all Afghan exports. But much of Afghanistan's trade goes through Pakistan either via Karachi and then by rail to Peshawar, or in the case of deliveries to India, by rail across to Amritsar. And India is Afghanistan's largest single customer, buying 35.7 per cent. of her produce for 614 million Afghanis yearly. It will be difficult to find alternative routes for this trade, should the deterioration of Afghano-Pakistani relations lead to the closing of Pakistan's frontiers to Afghanistan's trade. In addition, most of Afghanistan's imports travel over the Pakistan route. Apart from her main supplier, the USSR which delivers 685 million Afghanis worth, or 27.1 per cent. of the total Afghan imports over the roads the Russians have built southwards from the Oxus, all other principal delivery countries, like Japan which supplies 19.5 per cent. of Afghanistan's imports, the US with 18.8 per cent. and India with 12.4 per cent. will find it almost unmanageable to use alternative routes. It can be confidently expected, for example, that the US will not avail itself of the route via the USSR.

However, also, Pakistan does not stand to gain by closing her frontiers to landlocked Afghanistan's trade. Apart from her own sales of over 200 million Afghanis per year to her western neighbour, she would also lose any income from the transit trade, which is quite substantial. On the contrary, this

income could be greatly increased if efficiency in Karachi Port and on the railways could be increased so as to avoid breakage, long delays which often ruins tons of fresh fruit, and heavy pilferage. Whether inefficiency or ill-advised mixing politics with trade, these practices have led to Afghanistan exploring the possibility of new channels like an air bridge from Beirut and a road through Iran which eventually may operate to the detriment of Pakistani revenue.

The Afghans are no opportunists, and one of the many attractive traits in their character is their honesty of purpose. To think that they would support the Pakhtunistan question merely because they hope by its success to obtain an outlet to the sea or to enlarge their territory, would be a mistake. During my recent visit to Afghanistan I had an opportunity of convincing myself of the absolute integrity of the minds of the many leaders of the nation I met. So deeply rooted, and so closely held is the conviction of the Afghans that they have the responsibility of seeing justice done to their Pakhtun brethren, that political manoeuvres of the type employed a generation ago simply will not help. Even then it was necessary to intimidate the Afghan rulers with the whole might of British arms. Today, the Afghans are stronger: they are distinguished members of the camp of non-committed nations whose sympathy for the right of self-determination of the Pakhtuns they may well be able to enlist; they are on very good terms with both sides of the cold war, and they have greatly strengthened their own spirit of progress which has been the ideological by-product of a successful Five-Year Plan. Afghanistan has often been suspected of having created the Pakhtunistan question artificially in order to embarrass Pakistan at the instigation of either India to divert her from the Kashmir issue, or at the behest of Russia so as to create trouble at the borders of a SEATO member. Nothing can be more wrong, though possibly both India and Russia may not look with displeasure at Pakistan's additional, unpleasant harrassment. The situation, however, is not an artificial one, but is deeply rooted in history. Afghanistan has no territorial claims, but does not recognise the slice of West Pakistan between her border and the Indus as Pakistan territory. Whether she hopes to benefit eventually from the establishment of a Pakhtun State is open to conjecture. But the honest spirit of a *jehad* is unmistakably there, and when principles are held with that force and feeling of justice, they cannot be ignored for ever. Their continued existence poisons the atmosphere between nations and reduces the dealing between neighbours to undignified, pointless bickerings. There comes a moment in history when one has to start new chapters and forget at least some continuations from former ones. Afghanistan, which once ruled practically the whole of India, has had to forget much already. It is a pity that she could not accept the situation as it was in 1947 as the basis for her neighbourly life with Pakistan. But it is now clear that the Afghans will not forsake their Pushtu-speaking Pakhtun brethren—whatever unpleasant consequences it may involve for her—and with that we shall have to reckon, whether we like it or not. The sooner efforts for a peaceful solution of this issue are attempted, the better.

International Press Institute

Before the end of this year an Asian Secretariat of the International Press Institute will be established in Kuala Lumpur. Meanwhile a press seminar is being held there this month.

THE PHILIPPINES IN TRANSITION

DEV MURARKA

ON the 14th of November the Philippines will go to the polls to elect their President, Vice-President, eight Senators and 102 Representatives. This will be the first general election since the death of President Ramon Magsaysay whom the current President Carlos P. Garcia succeeded. Garcia himself is the Nacionalista party's candidate for the Presidency, while Diosdado Macapagal is the rival candidate standing for the Liberal party. Although Garcia and his party are expected to win, the elections will be hardly fought mainly due to the opposition charges brought against him. The main one concerns his vetoing the nationalisation of rice and corn trade under Chiang Kai-shek's pressure. Furthermore corruption has this time become an election issue. Whatever the outcome, it is unlikely that any startling change will take place in the country. During the last decade the Philippines have made steady economic progress which has benefited the ruling élite and they are the last ones to want a change.

The Philippines has an area of 115,600 square miles, broken up into about 7,000 islands. Only some 800 of them are inhabited and 26 major islands constitute 96 per cent of the area and contain 97 per cent of the population. The total population is estimated at about 24 million. One element lacking for national unity is a common language. There are about 75 main linguistic groups and no single language is the mother tongue for more than 25 per cent of the population. The country has also inherited the burden of nearly 377 years of Spanish colonization and a shorter period of American colonization. Nearly three-quarters of the people live in villages or *barrios*. Agriculture provides the main livelihood but the size of the average farm in 1948 was only 8.6 acres. Rice and corn are the two major food crops but the yield per hectare is lower than the Asian average. Abaca, copra and sugar are the principal export crops. Most of the Philippines trade is done with America but her trade with Japan and Western Europe has been increasing steadily. Exports to America declined to 53.9 per cent of their total exports in 1956-58 from 67.2 per cent in 1950-52. Similarly imports from America amounted to only 55.2 per cent of the total imports in 1956-58 as compared with 73.1 per cent in 1950-52.

According to the United Nations World Economic Survey for 1960 the Philippines rate of economic growth during the last decade was six per cent per annum. But if the annual rate of population increase in the country, estimated to be about three per cent, is taken into account, the real benefits are not so great.

During the Spanish rule the two pillars of administration were the clergy and the agricultural aristocracy or *cacique* class. The clergy still retains great influence in the rural areas while the *caciques* monopolise directly or indirectly political power and subscribe to the rule of individuals or small groups thus fostering the idea of personifying the government. Therefore, even now the administration is identified with one single individual or leader rather than accepted as an instrument of popular will. The growing strength of the educated middle class will no doubt replace this archaic concept but not without a bitter struggle.

Land Reforms

The economic and political domination of the *cacique* class in the Philippines of today accounts for much of the agrarian unrest and political instability in the country. Interested only in maintaining the *status quo*, it has become a powerful obstacle to urgently needed land reforms. The existing pattern is familiar all over Asia. The big estates owned by the *caciques* are either rented or worked by hired labour. This has created a vast population of alienated peasant class and landless labourers. The Huk rebellion during the fifties brutally suppressed was largely instigated by the landless labourers. Although the rebellion has lost its power, the agrarian problem is no nearer a solution.

The problem in agriculture is not only that ownership and control is vested in a small class but also its very low productivity does not make an adequate contribution to the national income. While occupying nearly 70 per cent of the population it accounts for only 40 per cent of the national income. Moreover, according to Mr. Frank H. Golay's *The Philippines: Public Policy and National Economic Development*, 20 per cent of the agricultural income is cornered by absentee landlords. Thus the impoverishment of the peasantry is formidable. The situation would have been worse but for availability of land to be brought under cultivation. Such a supply, however, will soon come to an end and a fresh crisis will face the country's agriculture.

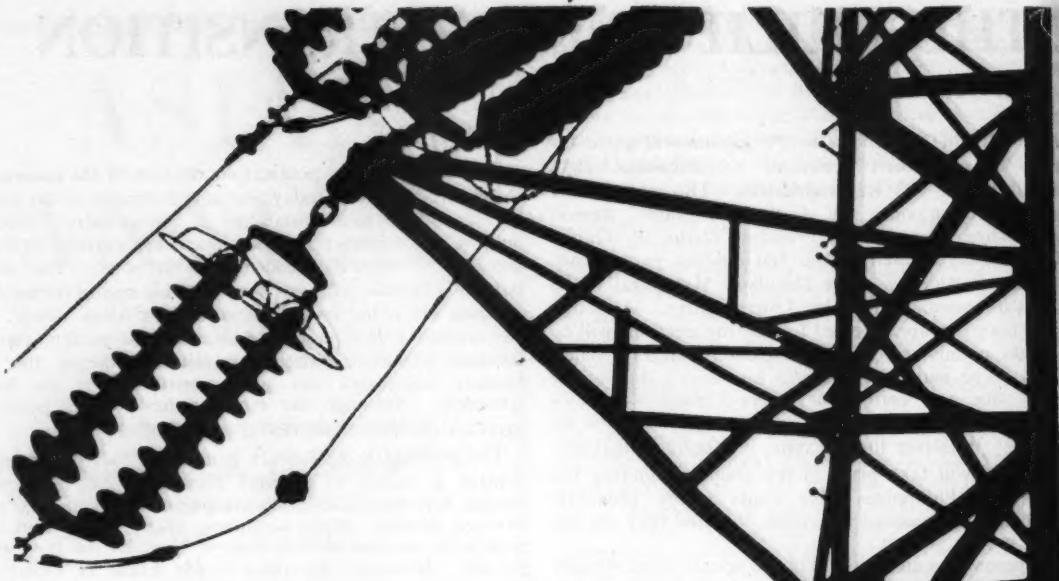
Although the Philippines has a long history of tinkering with land problems, so far no radical change has taken place. The landlord-dominated Congress sees to that. Whatever laws have been enacted in this respect have been frustrated by vested interests in some way or another. The strength of the demand for real land reforms can be judged from the fact that every public figure has to pay continuous lip service to the idea. Potentially, the issue of land reforms may yet bring about a violent revolution if the pressure of population and poverty continues to grow.

Foreign Communities

Apart from the agricultural class, the other driving forces in the Philippine economy mainly rest with the foreign communities. The most powerful among these are the Americans who have the backing of the American government in various ways and the Philippines government is so dependent upon it that it is pretty well left alone. In the shadow of the Americans are the Swiss, British and Danish interests. The Spanish community is rather a special case which, due to its old connections, has proved to be assimilable and occupies a high social status. Many Spanish families form the business aristocracy of the country.

Of a more vital importance and delicate political balance is the large Chinese community. Difficulties of defining what a Chinese is in the Philippines results in different estimates of its numerical strength. Mr. Golay estimates it to be in the order of half a million. It dominates retail trade and small-holders' crops of rice and coconuts. For a long time the Chinese community has been the object of Filipino animosity, because of its identifiable character due to resistance to

(Continued on page 32)



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DEMOCRATIC SOCIETY FOR INDIA

From our Indian Correspondent

MASTER TARA SINGH, the Sikh leader, has been on a fast unto death for the formation of a separate state in which the Sikhs would be in a majority position. The political folly of this fast has long been apparent. The Master however, does not command the full support of his own community, and left wing parties have refused to come to his rescue. While everybody agrees that the Sikh grievances should be removed and looked into, very few are prepared to support the demand for a separate state. Sensing the mood of the country, Mr. Nehru has refused to budge from his position but after another round of discussions it might be possible that a formula will be found to save the life of Master Tara Singh *in extremis*. Except for the Punjab area, very little interest has been taken in the fast by the country as a whole. Even two counter-fasts by Hindu extremists have not aroused the people. If the Sikh leader dies, however, some violence and trouble can be expected in the Punjab, but even then, circles close to the Prime Minister insist that the Sikh demand will not be conceded. The practical solution, as foreseen by almost everybody, is that both the

Gurmukhi and Devanagari scripts should be given equal status in the state. This should take the wind out of Sikh agitation.

Unity was also the theme which dominated the deliberations of the Chief Ministers' Conference, preceded by a meeting of the National Integration Committee of the All India Congress Committee to which Communist and other prominent personalities were also invited. It is felt that the issue of integration and unity have become urgent and passed the stage where the problem can be ignored as the usual pre-election excitement. This realization has brought about a number of suggestions. For the time being the use of English in administration is to continue without any change and steps are to be taken to propagate and develop a common script for Indian languages. On the thorny problem of minority rights, even the most progressive people are beginning to feel that pampering of the minorities at a political and educational level must stop. One solution is to cease recognition of special minorities which has led to a race for privileges and advantages. Apart from the resurgence of Hindu extremism, a new trend has become evident among Muslim organisations. These are rallying round a 'Platform for Action' which has as its central piece the demand for 'Deeni Talim', or education on a religious basis. Reactionary and puritanical in their attitude, these organisations have made a concerted effort to capture the Aligarh university, traditionally the centre of modern Muslim education. The obscurantists have gained so much strength that all dancing and cultural activities within the university campus where boys and girls could meet together have been

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banned. Once again the dreadful and appalling slogan that the Muslims are a separate nation is being revived. All this is causing acute anxiety among government and progressive political circles.

Foreign affairs also occupied a great deal of newspaper space and attention. Before his departure, Mr. Nehru's remarks on Berlin caused so much concern that he modified his stand. However, he refused to align himself against the East Germans and insisted that the reality of two Germanies should be recognised. Another matter on which he expressed himself in very strong terms was Goa. Indeed, Indian patience over the Portuguese colonies is wearing out and Mr. Nehru has declared that force is not ruled out if the colonialists do not come to their senses. Portugal has then threatened to refer the matter to the United Nations as a danger to peace. The remarkable role played by Mr. Nehru at the Neutralist Conference in Belgrade met with the full approval of the whole country. Initially there was apprehension lest he offended other countries by his excessive moderation. However, the Soviet resumption of nuclear tests transformed the situation and Mr. Nehru was able to divert the conference into harmless channels.

An example of superb bureaucratic bungling has come from Bihar and shocked the nation. About thirty years ago fires started in disused coal mines under the city of Jharia. They were caused by mine-owners who failed to take proper precautions against such an eventuality. The fire continued to spread while the provincial and central authorities argued about whose responsibility it was. The fire, however, has assumed such proportions that a large part of Jharia city is beginning to subside and even virgin pits are going up in

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smoke. It is estimated that about 20 million tons of India's finest metallurgical coal reserves have thus been wasted because of neglect. Preventive measures could have been taken earlier but for the carelessness of the top officials responsible for mining. Even now the Mines Department has hardly any activity to show except the statement that they are fully alive to the situation.

Parliament during the current session approved India's Third Plan. The Plan involving an outlay of 116,000 million rupees (about £8,700 m) promised no millennium to this nation of 438 million people. Ten years of planning had raised the per capita income to Rs.330. The Third Plan sums up the country's aspirations to be fulfilled in the next five year. The targets are quite modest considering the country's size and population. The Plan seeks to build a solid industrial base and increase national income annually by five per cent. between now and 1966. It envisages the creation of 14 million new jobs, a 32 per cent. increase in food production to 100 million tons and 163 per cent. increase in steel production. Mr. Nehru said the Government had a long-range development plan which would end in 1976. Its basic objective, he said, was to build a democratic society with a progressive reduction in the disparity of incomes. Barring the Rightist free enterprisers of the Swatantra Party who have been haunted by the fear of State capitalism, most Indian parties accept the concept of State planning. None the less a strong note of criticism marked the Plan debate. The burden of the Communist criticism was that it fell short of the country's aspirations and requirements. It was stated that the economy had lost its earlier surge of direction. The Praja-Socialist leader, Mr. Asoka Mehta, doubted the ruling party's capacity to execute the plan and called for a basic change in the

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approach of the Government to evoke responsiveness from the people. At the same time there was general agreement that the country's economic development had gained considerable momentum during the last decade of planning.

Meanwhile, the Government has restated the broad principles in regard to majority foreign capital participation in new enterprises. Such participation is considered only when three conditions are satisfied. These are: first, the project has a high priority for the fulfilment of Plan targets; secondly, the main contribution of the project is in a field of technology where little progress has, so far, been made and a great deal of additional development is essential; and lastly, the situation is such that unless foreigners are allowed to have a majority holding the Government would have to seek a substantial amount of foreign exchange.

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Japan

Trouble-Makers Graduate and Run the Show

From Stuart Griffin, Tokyo

Contrast the burr-headed, black-uniformed average Japanese university student with his car-driving, sport-coated, girl-dating American opposite number and the Tokyo, Osaka, Nagoya collegian has much to moan about.

Firstly he must get along on the monthly yen equivalent of \$41.75 compared with the US youth's pocket money average of about \$200 monthly. Be-spectacled and sallow from late hours study, this Japanese spends \$10.75 a month for food; \$5.85 for lodging; \$5.17 for lab fees and books; \$5.00 for entertainment including cigarettes; \$1.87 for carfare, and under \$5.50 for miscellany.

Japan's student has more delicate health, living on 1,650-1,800 calories, against over 2,500 daily for the American. Some 30 per cent. of Japanese collegians take ill some time during the year, 12 per cent. of the 30 with TB. Combined with hard work, less food and exercise, less extra-curricular activity is the fact the Japanese toil at "arubaito" (outside jobs) to finance education, with 37 per cent. working their way wholly, 68.8 per cent., partly, of over 635,000 college-years students.

"Arubaito" includes door-to-door selling; ticket-punching; store and counter tending; carnival "barking"; goods deliver-

ing; bartending; truck-driving; tutoring; migrant vegetable-fruit picking; electioneering; Chindonya (One-Man band sandwich men) parading and flag-carrying, snake-dancing for this and that cause—demonstrating.

Meagre-wage employment even in prosperous Japan is the rule for students, daily wages running \$1.35 or less. Best jobs are guides for sightseeing bus cruises, at \$1.45 a day for boy students, \$1.15 daily, for the girls.

"Politics" is the second biggest student word. Few nations have a more politics-conscious student enrolment. The majority belong to Zengakoren (National Student Federation), trisected into Trotskyites, Stalinists, and parlor pinks. The Federation mobbed President press secretary Hagerty, kept Eisenhower from visiting Japan, toppled the Kishi cabinet, forced the Anti-Violence Bill shelving. It stands ever ready to boisterously support, and take to the streets again for, most any far-out-left cause. Rightist students join Gakko Hokokukai, the "Students' Society for Enhancing the National Spirit." Free from conscription as the American student is not, university-level youngsters here are sought out by right and left extremists alike, for their zeal, energy, easily aroused patriotism, keenness on political action.

Politics appeal to poverty-conscious students, idealistically bent on bettering the world. Students backbone petitions against Japan's Self-Defense Forces, foreign treaties, thermonuclear tests, and US bases. They stand often accused, because of connections, with anti-foreign, especially anti-American movements and actions, only sometimes rather unfairly.

All too often both suicide and violence-prone-students kill themselves, one gaudily by blowing himself up with dynamite,

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because of term exam fears and failures, teachers' rebukes, inferiority feelings, and belief parents and friends are being let down, youngsters feel trapped by life. They have but one way to go, one student leader said cannily, "up", but, as he added, more shrewdly yet, "too often like a firecracker, a Roman candle. Up and out."

Hottest hotbeds of student rebellion against authority are the 6,000-body Government universities, Tokyo and Kyoto leading the other four. These staff the Foreign Office, key ministries, leading banks and businesses—and the rosters of the Japan Communist Party and the secret right-wing terrorist societies alike. Fiercely competitive exams weed out most would-be college entrants; stiff tests cut down more mid-course. The struggle to pass tough company exams for jobs, post graduation, is matched only by the brightest youth.

Once settled in a firm or a Government office, though, politics like "arubaito" is a forgotten word. No aspiring chemist, engineer, Government trainee, salesman or company clerk has time to more than think back, a little wistfully, on the snake-dance "demos" of his college days. Traditional trouble-makers graduate—and run Japan.

Japan's average student studies, slaves, participates politically but rarely gets embroiled in crime. He prefers debating to glee clubs, campus political groups to theatre groups, student forums to athletics. Boys enter universities at 16-17, but many do not graduate before 23-25, because of the need for outside employment. Professional "students" have been known to flunk out year by year, on JCP orders. Communist agents can and do infiltrate campuses. These are definitely, traditionally Off Limits though to all police.

China

Important Visitors

From a Special Correspondent

A perpetual stream of delegations and political leaders from foreign countries seems to be flowing in China. This month, two visitors of more than average interest were being feted in Peking and other parts of China, and met Chairman Mao and other leaders of the Chinese Republic. One of them was Vice-President Goulart of Brazil, who has since become President. He received more than usual attention not only because of his reputed left-wing sympathies but also because the Brazilian crisis created by the resignation of President Quadros came while he was still in China. From all accounts President Goulart was deeply impressed by what he saw in China and wishes to impart some of the purpose encountered there to his own country. This may have startling consequences for Brazil in particular and South America in general.

The second important visitor was President Nkrumah of Ghana. His visit, important as regards to the developing dialogue between Africa and China, was all the more important owing to the then impending Neutralist Conference in Belgrade. Although no detailed information about his talks with Chairman Mao is available, the encounter between the two did not fail to be of some consequence. It is rumoured that the greater tolerance shown by the Chinese towards the conference was largely due to the impression created by President Nkrumah upon the Chinese leaders. It remains to be seen if this softening will be of any lasting value.

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Public transport in big cities has always been a problem in China but the authorities are nearing a solution. Trams have been virtually eliminated and replaced by trolley buses in busy city roads. In Peking alone they carry nearly a million passengers along thirteen routes. They also add to the colourfulness of the city with their light-blue or cream-and-red exteriors. Most of these buses are now being made in China. Trams were established in Peking only in 1924. Till 1949 there were only six lines in the city with a total of 47 trams and buses. Now, trolley buses alone total 380.

To cope with drought and bring farmland under irrigation where no other method is possible, increasing number of electric and diesel water pumps are being installed. Mechanised irrigation power has now the capacity of five hundred and twenty thousand horsepower, nearly nine times the amount it had in 1953 when the first Five-Year Plan was started in China.

An important step has been taken recently to spread the use of insecticides in agriculture. Workers from the big insecticide apparatus plant in Shanghai are visiting communes and farms to instruct peasants in the use and maintenance of equipment needed for the application of insecticides. The output of Shanghai factory alone has increased five-fold since 1958. Similar increases have been reported from other factories manufacturing spraying equipment.

Pakistan

Diplomatic Relations with Afghanistan Severed

From our Pakistan Correspondent

Diplomatic relations between Pakistan and Afghanistan were broken off last month. They were severed at the instance of Afghanistan, and the Afghan Government has refused permission to Britain to look after Pakistan's interest in Afghanistan. An extremely delicate situation has developed as a result of it. A situation that is grim, ugly and fraught with danger. And Mr. Manzur Qadir, Pakistan's Foreign Minister warned "If through some actions of Afghan Government the situation becomes difficult we will consider it in that light" is intended to warn the Afghans that any impetuous move will have dire consequences. It also reveals that the relations between the two countries had reached such a pass that a rupture was inevitable.

Ever since the inception of Pakistan in 1947, Afghanistan has adopted a most unfriendly attitude towards her. And the cause of this unfriendliness has all along been the claim for Pakhtunistan. The Afghan Government has demanded that the Pushtu-speaking tribes in N.W. Pakistan should set up an autonomous state. A state which incorporates all Pakistan territory west of the Indus. Pakistan has flatly rejected this claim as illegitimate, ill-founded and baseless. And the result is that, because of this claim, Afghanistan and Pakistan have never been able to follow a good neighbourly policy.

Periodically, the Afghan Government, to keep the issue alive raises the cry of Pakhtunistan, and increases the tension by some provocative action. During the past 14 years, Afghanistan has done rather a lot to damage her relations with Pakistan. She opposed the entry of Pakistan in the United

Nations, attacked her Embassy in Kabul, desecrated her national flag and frequently violated her borders. In October 1960, Pakistan protested to the Afghan Government against hostile concentration of Afghan tribesmen and reservists on the north-west border of Pakistan. And in November, 2,000 Afghans belonging to the Mangal tribe crossed into Pakistan because of the extreme repressive measures taken against them by the Afghan Government.

Thus the relations steadily deteriorated. And on August 23, the Government of Pakistan announced that due to the provocative actions of the Afghan officials, she was compelled to shut down her consulates at Jalalabad and Kandahar. She asked Afghanistan to close her consulates and trade agencies in Pakistan. Pakistan has protested several times that her diplomatic staff were unable to carry on with their duties, because the Afghan officials harassed and maltreated them. Afghan domestic servants, barbers, washermen, water-carriers were forbidden to serve Pakistanis, and even essential food-stuffs were denied them. Petty restrictions controlled their movements, and often Pakistani diplomatic staff were abused and insulted by the Afghan intelligence officials.

Under these trying and difficult conditions, Pakistan had no option but to shut down her consulates. Pakistan, nevertheless made it clear that the closure of the Afghan trade agencies would in no way mar Afghan transit trade through Pakistan. They would still continue to enjoy free passage through Pakistan territory.

Despite these assurances, Afghanistan said that if their consulates and trade agencies were shut down, she would sever diplomatic ties with Pakistan. Thus the ties were severed.



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Indonesia

President Sukarno's State Visit to UK in 1962

From an Indonesian Correspondent

It has been announced from Buckingham Palace that President Sukarno has accepted the invitation of Queen Elizabeth to pay a state visit to London in the second half of next year.

The President, who is 60, has been in office since 1945. It was in 1925 that he graduated as a civil engineer from the Bandung Technical Faculty. Later he became leader of the Indonesian Nationalist Party, advocating a policy of non-cooperation with the Dutch colonial government. During the thirties he and other national leaders spent several years in prison and in exile for their political activities. On August 17, 1945, two days after Japan's surrender to the Allied forces, the independence of Indonesia was proclaimed by Dr. Sukarno and Dr. Hatta, who were elected President and Vice-President respectively. Four years of fighting against the Dutch followed before independence was finally secured by the Transfer of Sovereignty in December 1949. In 1950 Dr. Sukarno was elected President of the reconstituted unitary republic, from December 1949 to August 1950, Indonesia became a federal state with Sukarno as President and Hatta as Prime Minister. In April 1955 Dr. Sukarno opened the historic Asian-African Conference in Bandung, and in 1957 intro-

duced the new political concept of "Guided Democracy". The re-instatement of the 1945 Constitution in July 1959 and the formation of a new cabinet under Sukarno's leadership were further steps in the establishment of this concept and of a guided and planned economy. He has made four world tours since 1956. In September 1960, together with many other heads of state, he attended the 15th session of the UN General Assembly in New York, and was one of the sponsors of the Neutrals Conference which was held in Belgrade last month.

In his Independence Day message in September, the President declared that regarding the West Irian dispute with Holland, he would fully support any arrangement to hold a meeting based upon the transfer of authority over the territory to Indonesia.

On August 21, Dr. Sukarno, who had been Indonesian Ambassador in the United Kingdom for five years, left London for Djakarta.

Australia

Politics, Economics, and the ECM

From Charles Meeking, Canberra

Major issue in the triennial federal election expected in December seems likely to be the extent to which Australia is prepared to adjust its industries and economy for new markets if and when Britain enters the European Common Market. The Menzies Government, which is disturbed about the political and economic implications of the move, considers it has done much in recent years to encourage development of Australian markets in Asia. The Labour Opposition says the Government has shown lack of foresight and dilatoriness, and has failed to appreciate the real issues involved.

Mr Menzies does not deny that a British decision to enter Europe might be justified. He has warned however, that Australia will battle for the best possible arrangements to protect its traditional and legitimate interests. Leader of the Opposition, Mr. A. A. Calwell, has said gloomily that Australian primary producers "face ruin". Other observers, with no political axes to grind, suggest that if Australia has to live in an Asian trading world the standard of Australian living will be maintained only if Australia becomes more self-sufficient, more efficient, and buttresses its ties with Canada and the United States.

One result may be moves, already mooted officially, for greater economic and even political unity between Australia and New Zealand. On the wider field, the Minister for Trade, Mr. J. McEwen, hopes for some eventual trading arrangements which will not be limited to the Common Market and Commonwealth countries, but will cover the whole of what is termed the "Free World".

In the 12 months to the end of June, Australian exports to Britain were worth £A232 million, a drop of £A15 million compared with the preceding year. Exports to the six Common Market countries were down by £A22 million, to £A153·5 million, but exports to Japan (most wool) and mainland China

(largely wheat) rose by £A51 million, to a total of £A201.8 million. Japan's share was £A161.7 million. Japan is the largest buyer in the world of Australian wool, but the president of the Japanese Chamber of Commerce in Sydney has warned that the market should not be taken for granted, and that synthetic fibres are making rapid progress in Japan.

Many officers of the armed services of the Asian members of SEATO, Pakistan, Thailand and the Philippines, have been trained in Australia during the past year, and the programme is to be expanded. In addition, training is in progress in Australia of officers and men from Britain, the United States, Ceylon, Canada, New Zealand, India, Malaya—and Indonesia. When the Indonesian proposal was made some years ago, there was a hostile reaction in some Australian political circles. Its implementation is welcomed now, although the Australian Government is still concerned at the possibility of a Dutch-Indonesian clash over West Irian.

A currently-approved project, the spending of £A41.2 million for a standard gauge railway from Kalgoorlie, Western Australia, to Kwinana, near Perth, has strategic importance as well as economic value. The line will provide a standard gauge link with the eastern States. It will serve a large oil refinery and a projected £A44 million steelworks and will reinforce the Western Australian claims for a naval base on the Indian Ocean seaboard of the continent.

Antarctica has been declared a non-militarised zone, with all territorial claims "frozen", but Australia has failed in its bid to establish a secretariat to take care of the Antarctic Treaty Organisation. The recent Canberra conference dis-

cussed such matters as international air routes across the South Pole; tourist and health resorts; the use of the snowcap as a natural deep-freeze storage for surplus foodstuffs; and the harvesting of plankton, but the major speculation was on mineral wealth under the ice, and its use. If valuable and extractable deposits are found, it is felt in Canberra that all claims would be unfrozen rapidly, and the provisions of the 34-year treaty really tested.

The unspectacular federal budget is still the subject of intense political manoeuvrings, with the Menzies Government claiming that its economic policies are reducing unemployment and restoring confidence, and Labour asserting that only its £100 million deficit plan would end the "depression". In the meantime, the comparatively small percentage of unemployment is diminishing, and it is believed that industry and business will gradually but surely return to normal, but without the boom conditions of last year. Car firms are still expanding, while subject to increasing pressure to reduce the prices which give them remarkable profits.

Re-election of the Menzies Government at the triennial election appears practically certain as a result of the failure of the Labour Opposition to overcome the problems of "unity tickets" between Labour men and Communists in union elections. Despite warnings of continuing electoral disaster, the Labour party declined to discipline its Victorian executive, in particular, for condoning these tickets. This was followed by an announcement that the breakaway party, the Democratic Labour party, would not give Labour its preferences, and this in turn made the Government appear certain of re-election.

Chinese Fireworks

ON October 1, the Chinese National Day, Tien An Men Square in Peking is the centre of attraction for multitudes of holiday-makers. Pop! Bang! Whiz! The popping is followed by sheaves of light shooting up into the night sky, releasing showers of glittering stars. Then again, bunches of luscious grapes are hanging high in the air, or the colourful tail feathers of giant peacocks are spread out like a fan. In the words of a poet: "There is no darkness, golden trees of fire and silver flowers hang in the firmament."

Fireworks are made out of cardboard shaped into a cylindrical hollow casing, containing a small parachute. The tube is filled with black gunpowder and pulverized minerals.

The different colours of the fireworks is the result of the burning of the minerals in a very high temperature. The mineral powder fillings of fireworks include mainly zinc and magnesium. Small quantities of oxides of iron, copper or aluminium are usually added to make the fireworks more easily combustible and give greater brilliancy. When ignited, each mineral produces a different colour, displaying a sight out of fairytale land.

The making of fireworks and the invention of gunpowder by the Chinese are closely connected. According to historical records they date back to the XIII century. In "Dream Records" by Wu Tzu-mu and in "Wu Lin Anecdotes" by Chou Mi, considerable space is devoted to the subject of fireworks.



Fireworks above Tien An Men Square, Peking

A few years ago the Chinese had only a few varieties: such as the "Dragon Chain Chrysanthemum", the "Starry String of Pearls" to display on May Days or National Days. But since then exquisite new varieties such as "The Peacock Spreads its Tail", "The Grape-vine on the Trellis" and the gigantic "Blossoming Iron Trees", and "The Royal Garden" have been created. In 1960 the Shanghai pyrotechnical workers scored a new success when they created an extraordinarily ingenious design, the "Singing Birds and Fragrant Flowers". This display gives great delight to the spectators, for the brilliant multi-coloured flowers are fragrant, and one can actually hear the chirping of the birds.

SUNRISE

Tsao Yu

This is a four-act play written by Tsao Yu, one of China's leading playwrights, in 1935.

The play shows a glimpse of old China under the reactionary rule during the period 1931-1935. The characters in the play are widely varied. They include Chen Pai-lu, the heroine who leads a parasitic life, capitalists engaged in speculation and racketeering, obsequious and secretive bank clerks, doctors full of Western terms in their speech, pale and feeble intellectuals, minor employees who are oppressed and squeezed, sing-song girls in the brothels. . . . The author does more than expose the darkness of the old Chinese society. He trenchantly criticizes the old social system, showing that its doomsday was at hand.

The play has been popular for more than twenty years. It has been frequently staged in all parts of the country.

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Recent Books

The World Bank in Asia: A Summary of Activities. October 1960. (*International Bank for Reconstruction and Development, Washington, DC*)

The World Bank's chief role is to deploy the wealth of the rich countries in areas of underdevelopment. In this study details are given of the total of loans, amounting to \$1,445 million, made to Asian countries up to September 1960. This lending, amounting to well over a quarter of total Bank loans in all member countries, has been made to eight countries in Asia. India has received \$662 million, Japan \$337 million, Pakistan \$241 million, Thailand nearly \$107 million and the balance distributed among Malaya, Ceylon, Burma and the Philippines.

Lending has been concentrated on the development of basic services: transport by road, rail, sea and air makes up nearly two-fifths of the total; electric power and industrial development account for about a quarter; while agriculture takes up the balance. All the loans are for "bankable" projects, i.e. strictly on a commercial basis.

Of the \$563 million lent for transport, \$328 million have been allocated to India (who has 35,000 miles of railway) for her railways and ports. Loans for a similar purpose have been made to Burma, Pakistan and Thailand. Japan has benefited most from the loans made to increase her hydroelectric power—\$138½ million out of a total of \$397 million. The third largest total, \$346 million, has gone to industry, and here the bulk has been taken by India and Japan to expand their output of private steel companies. The aim here has undoubtedly been to create employment for the rapidly increasing populations of these countries. The Bank has also made a loan of \$90 million for the development of the Indus basin, where one-tenth of the combined populations of India and Pakistan live.

In addition to its lending, the Bank has provided advice and assistance to its members in Asia on development problems, and also provides training courses in Washington for selected officers.

Its loans have greatly increased the productive capacity of the area. A rise in the standard of living in the underdeveloped countries has beneficial repercussions everywhere, and not least in the countries that have provided the capital.

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Bayonets to Lhasa, by PETER FLEMING (Hart-Davis, 30s.)

"In moments of complete despair, when it seems that all is for the worst in the worst of all possible worlds, it is cheering to discover that there are places where stupidity reigns even more despotically than in Western Europe. . . ."

That was how Mr. Aldous Huxley wrote about Tibet in 1923 and he drew his conclusion from a book that still remains the best work on that strange land, *Three Years In Tibet*, by the Japanese monk, Kawaguchi. But now comes the next best one in many ways and Mr. Fleming's account of a piece of Imperial idiocy has overtones for today's and tomorrow's international crisis into the bargain.

It is the story of the youthful Younghusband's campaign to the Tibetan capital in 1903-4. The aim was to let the natives know what was what and show that if anyone thought the English could be mucked about with they had another think coming. The Russian Menace was at the bottom of it.

And there was a Viceroy of India just then who had that menace on the brain. Lord Curzon was just about the most unlovable politician to rise in the parliamentary ranks in modern times. The detestation of him by his friends was such that in 1923 they shunted him off from the premiership when his claim upon it, by virtue of long service to the Tory cause, was uncontested. Even Baldwin was preferred. In his early days Curzon fancied himself as rather a dab in the Eastern World. He wrote books and reports about it and everyone deferred to him as the expert who "knew".

He it was who backed Younghusband in his adventure and was later unable to protect him from the wrath of the Westminster Government when the terms of his "agreement" with the Top Men in Lhasa became known. For he had committed Britain to an amazingly long occupation of certain areas and wrung a sum of money from the Tibetans which shocked even the most enthusiastic Kiplingite when it leaked out. After all, Tibet did not use very much money and here it was that £50,000 had to be paid over in 75 annual instalments . . . and according to article seven of the "agreement", ". . . the British were to occupy the Chumbi Valley until the indemnity had been paid."

Apart from the money there had been the killings.

Confronted by the well-trained forces put into the field by the Government of India (headed by Lord Curzon) the crude weapons of the Tibetans made but a comic showing.

"It was not a battle but a massacre. Hadow, manning one of the Norfolks' Maxims, wrote to his mother that night: 'I got so sick of the slaughter that I ceased to fire, though the General's order was to make as big a bag as possible. The Tibetans broke.'"

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But, as Mr. Fleming points out, they did not flee. They simply did not understand that it was fire-power that was killing them:

"They turned their backs on the wall and walked away, very slowly, through a hail of bullets that continued to mow many of them down until they reached the shelter of a spur half a mile distant. They walked", Candler recorded, "with bowed heads, as if they had been disillusioned in their gods." 'I hope I shall never have to shoot down men walking away again,' young Hadow confided to his mother."

These were the people, Lord Curzon had been fanciful enough to suppose, who were deep in some intrigue with the Russians to sweep the British in India into the sea. It was all complete nonsense. The supposition had never had the slightest foundation. This book makes that crystal clear and it is especially valuable for showing that once the adventure had begun, fiction upon fiction, lunacy upon lunacy, piled up to justify it.

But, in the end, after a lot of Tibetans had been wiped out, the adventure collapsed. Disowned by the Government of Westminster, the "agreement" never became operative, and the whole episode was quickly forgotten because no one cared to remember it. Francis Younghusband's star rapidly paled, Lord Curzon blamed his friend in the India Office, St. John Broderick (but then he was always blaming his friends) and dated the turning of the tide of his career from about then.

No one got anything creditable out of the journey of the bayonets to Lhasa until now. But Mr. Fleming gets plenty. It is an entrancing piece of work.

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Economics and Trade

SWITZERLAND'S FAR EASTERN TRADE

SINCE the war Swiss exports have shown a consistently rising curve.

Exports to the Far East in particular have assumed vast proportions and are still expanding fast as the figures in the table below shows. What is even more important, in an area stretching from Afghanistan to Korea and Japan, is that Switzerland has an overwhelmingly favourable balance of trade with all these countries except Malaya. China is a very special case as trade between the two countries is submitted to different methods and is rigorously controlled by the Chinese authorities. In the case of Malaya, the Swiss import a great deal of natural rubber from there but sell very little in return, as no attempt at organised industrialisation has been made in Malaya yet.

An interesting feature in these trade relationships is the extensive trade between Japan and Switzerland, the largest in volume in the area. But while the Swiss export mostly machinery, the Japanese sell mostly raw silk, hides and skins and the like. Switzerland's next best customer in the area is India, mostly for heavy capital goods. But in return India sells only a small quantity of goods. The slight edge which Afghanistan has over Switzerland can again be explained due to the lack of industrialisation in that country.

High Quality of Swiss Products

Although a small country with very high prices, the success of Swiss trade drive can be explained only in terms of the quality of its goods and the service provided by it. Generally, Swiss prices are higher by about ten to fifteen per cent. In spite of it, Swiss equipment is in heavy demand as it can be manufactured easily to particular specifications. This craftsman tradition as opposed to mass production techniques allows the Swiss to pay attention to individual requirements in goods which cost millions of pounds. Another factor in favour of Swiss equipment is the long life and its greater durability which more than compensates for initial high prices.

Post-Installation Service

The Swiss have also evolved an efficient system of post-installation attention and care for the equipment they have supplied. In countries where the maintenance standard is low due to inexperience, this factor is of great importance.

Credit Facilities

To cope with financing difficulties, the Swiss currency being scarce and hard currency for most of the underdeveloped coun-



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ies, the Swiss Banks have started extending long and short term credit facilities in recent years. Owing to such favourable conditions the demand for Swiss goods is always on the increase, and trade with the Far East even more active.

The problems facing the Swiss industry are internal ones, namely the acute shortage of labour. Even the influx of Italian workers cannot fully cope with the demand. The result is a piling up of orders, and not only orders under execution are delayed but longer and longer delivery periods are being quoted, thus creating a major obstacle for buyers whose projects very often require a careful time schedule. Although this state of saturation is highly profitable, it inhibits expansion in new markets which may become of greater importance in ten or twenty years' time. The problem before Swiss industrialists is how to keep up with the demand.

SWITZERLAND'S TRADE WITH THE FAR EAST

	IMPORTS			EXPORTS		
	1959	1960	1961 (6 months)	1959	1960	1961 (6 months)
Afghanistan	4.3	4.4	2.7	1.9	2.8	1.6
Pakistan	3.9	3.4	2.0	17.1	37.4	22.3
India	23.9	25.8	18.4	83.1	104.6	47.4
Burma	1.8	1.8	0.8	5.2	7.3	4.1
Ceylon	13.4	16.6	9.8	18.4	26.8	3.3
Thailand	1.3	1.7	1.6	19.5	22.2	11.0
Cambodia	0.1	0.2	0.2	0.9	1.5	0.7
Malaya	16.8	25.6	12.0	3.9	6.9	4.7
Singapore	1.7	3.2	1.1	38.2	45.3	25.5
Indonesia	13.0	12.9	6.7	15.5	22.2	11.5
Philippines	10.1	27.6	7.0	18.8	19.4	11.2
Japan	94.6	115.7	63.6	99.9	127.5	87.4
Hongkong	—	5.0	4.4	—	110.1	60.4
China	49.8	37.8	16.7	150.4	34.9	10.7
(Includes Hongkong)						

(All figures in million Swiss Francs)

JAPANESE LIVESTOCK INDUSTRY

THE latest production figures of the Japanese livestock industry show a spectacular increase of domestic animals in the country. The number of cattle rose from 2,400,000 in 1952 to 3,350,000 in 1959. There are now some 2,000,000 dairy cows, which is more than ten times the number before the second World War. The number of pigs trebled between 1952 and 1959, rising from 500,000 to 1,700,000. The number of sheep increased from 400,000 in 1952 to 1,000,000 in 1959. There are now 50,000,000 chickens against 20,000,000 in 1952.

It is officially estimated that the total value of livestock production in Japan will, in ten years time, represent one-third of the total agricultural production and will, at that time, be equivalent in value to the production of rice.

Rice, fish and vegetables have for long constituted the main diet of the Japanese, with fish providing the largest source of animal protein. In the immediate post-war period, Japanese fishing was restricted and over-fishing in home waters became a serious problem. At the same time, increased contacts with western people and supplies of popular western food influenced the food habits of large sections of the urban population. Milk distribution in schools has also been an influencing factor. As a result of

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these various developments, the Japanese have acquired the habit of consuming more meat, eggs, milk and dairy products. Such consumption led to a rising standard of living and changing dietary patterns and, in particular, led to a demand for meat that it is expected to rise in ten years to five times its present level.

The Government's policy which had, as its first aim, "milk from pastures", is now being developed to include the fattening of "beef from pastures". This vast programme for the livestock industry has, of course, to be based on a pasture improvement policy since, due to the shortage of cropland, the Japanese cannot afford to feed their animals with grains which are mostly consumed by the human population. To conserve the cropland, the livestock industry will be increasingly concentrated in the uplands where rice cultivation is not possible.

THE PHILIPPINES IN TRANSITION

(Continued from page 17)

assimilation and economic success. Of late the Chinese have been subject to steady legislative and other pressures motivated to deprive them of their economic power. But in the rural areas they have made themselves almost indispensable and continue to hold their own.

Of growing importance is the Filipino business community in Manila and other big centres which is tending to work in cooperation with foreign financial interests. With the growth of industry and urbanisation, together with the number of highly educated, the middle class in the Philippines is coming into its own. If the trend continues, soon the political power

should pass from the landed aristocracy to the new middle class.

The per capita income of the Philippines was 228 pesos a year in 1946 and 400 pesos a year in 1958. This represents a considerable advance in the economic life of the country. But it is not sufficient especially considering the country's resources. The Philippines have considerable mineral resources in gold, chromite ore, copper, iron ore, coal and lead metal, which unfortunately have been used so far only for extraction and export rather than manufacture. This is a grave shortcoming. The economic development of the country has also been too much dependent upon foreign loans, credits, war reparations and similar sources of investment. The result is more an expansion of a mercantile type of economy than a manufacturing one. In the long run this cannot but be risky.

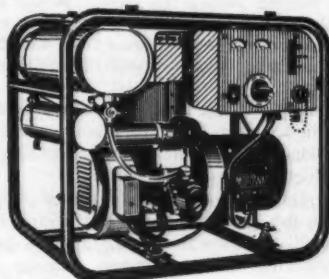
The political position taken by the ruling élite in the Philippines has also its great disadvantages. By allowing themselves to be in close alliance with the United States, they have opted out of the main stream of Asian politics which means isolation for the Philippines. More and more they are compelled to search for artificial groups of a grandiose nature to maintain their Asian link. This fits in with the economic monopoly of the few rich in the country but also stores up explosive possibilities when the economic stranglehold may show signs of collapse. The recent demand of President Garcia to be allowed nuclear weapons, and similar other policies can only estrange it from those countries who want to keep the area out of the cold war.

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Tourist Industry In Pakistan

R. Kureishi

It is tragic that tourism was never developed into a lucrative industry in Pakistan. Its development was never seriously encouraged, or its scope imagined or its possibilities exploited. It remained like many other industries singularly static and neglected. Thus a veritable source of foreign exchange was lost. The failure of this industry to expand and prosper could be attributed to the years of political instability provided by shaky governments in the past, want of creative imagination and the lack of sufficient funds to project Pakistan's potentialities to the outside world.

But now, the Nation is on the move. There is a positive urge, a dynamic drive to develop and build all branches of national life, and the Government is rendering all possible assistance and encouragement to all kinds of industrial projects. There is a growing awareness that the tourist industry has abundant untapped natural wealth, which when developed and projected should have a magnetic power to attract foreign visitors. Besides, bringing in the badly needed foreign exchange, it would provide employment to thousands of local inhabitants.

The Directorate of Tourism has prepared a long-term plan for the development of tourism both in West and East Pakistan, which provides for the construction of modern western-style hotels and various other amenities for tourists in places of interest.

In the *public sector* the plan provides for the development of the following: Construction of rest houses in the Kaghan valley

and Kafiristan, and at Chitral, Mohenjo-Daro, Harappa, Landi Kotal, Balloki, Hiran Minar, Skardu, Gilgit, Sylhet, and Kaptai; provision of log cabins in the Kaghan valley, at Rama in the Gilgit Agency and in the Sunderbans, and huts and boats at Satpara Lake, Skardu; development of the Kalri Lake Scheme; improvement of the Kawai-Naran Road in the Kaghan valley, and construction of a link road between Dokri and the Indus Highway; construction of 2.5 miles of road connecting Bhamore with the Karachi-Thatta road and improvement of 5 miles of road from Comilla to the Mainamati monuments; and provision of an airstrip and improved accommodation at Mohenjo-Daro.

In the *private sector*, the plan makes provision for: Construction of two first class modern hotels at Karachi and Rawalpindi; expansion and improvement of existing hotels in principal cities and hill stations in Pakistan; and development of adequate transport, including mini-buses, self-driven cars and jeeps at places of tourist interest.

The tourism development programme for the public and private sectors will cost about 120 million rupees. The plan is usefully conceived and the substantial funds devoted towards it should provide all the necessary amenities and facilities demanded by tourists. It aims at comfort which is certainly one of the main keys to the tourist trade.

Foreign tourists, especially those from the western countries, who are out to enjoy their holiday abroad, expect comfort and efficient service in hotels and transportation. In the past, Pakistan was unable to provide either of them which must have greatly discouraged the tourists from visiting the country.

Now that distances and time have been savagely annihilated by jet airliners more and more Europeans and Americans should go for their holiday to Pakistan, to know more about the country, its historical background, domestic art, culture, literature, handicrafts, architecture and so on. Furthermore, an expanding industry of this nature will open the door for the development of smaller

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industries catering for the tourist's needs, like souvenirs, post cards, pictures and the like. In the long run, it will go quite a way to solve the unemployment problem in Pakistan, all the more that Pakistan has really great deal to offer to tourists.

Pakistan is a land of breathless, savage beauty, with rugged mountains and lush green valleys. Relics of ancient civilization, Islamic architecture clash with the 20th century's mammoth austere irrigation dams and modern industrial projects. It is certainly picturesque in its contrasts.

In the sun-scorched desert of Sind, the tourist can visit the old city of Thatta, renowned for its historical ruins, architecture and stone carvings. Sixty-five miles from the towering Sukkur Barrage lie the ruins of Mohenjo-Daro, the once flourishing city of the ancient Indus Valley civilization (2500-1500 BC) where the tourist can also admire the timeless Buddhist Stupa, the Great Granary and the drainage system. They are works of great ancient art, and produced when half the world was still engulfed in darkness.

Twenty miles from the present capital, Rawalpindi, is the historic city of Taxila, where Alexander the Great left his unperishable mark. The Taxilan museum is famous for its collection of Bactrian, Hellenistic and Buddhist art and culture.

In Lahore, the capital of West Pakistan, the tourist will witness the sheer magnificence and grandeur of the Moghul period. The

genius of the Moghul emperors is manifested in the Badshahi Mosque, Shalimar Gardens, the Mausoleum of Emperor Jehangir and the magnificent Fort.

Away from the refined elegance of Lahore to the mainly ruggedness of the North stands the battle scarred Khyber Pass. Through it, the daring, thundering hordes of innumerable invaders swept to the fertile valleys and subjected the entire sub-continent to strange vicissitude of fortune. For sheer scenic brilliance, Gilgit, Baltistan and Hunza are perhaps the world's most ravishing beauty spots. The whole region is surrounded by a mass of challenging peaks and snow-capped glaciers, and amongst them is the famous K2 (28,250 ft.). The tourist is simply enraptured by this awe-inspiring grandeur. Kaghan, Chitral and Swat have gradually developed into famous tourist resorts.

East Pakistan presents a totally different picture. From the hard rocks, deserts and wheat fields of the West, East Pakistan soothes the eye with her lush tropical foliage, lazy canals and miles of paddy fields. The contrast is striking in that it clinches the fact that Pakistan is a land of great versatility.

This is the heritage of Pakistan. And the country provides the tourist with every form of activity, hiking, mountaineering, big game hunting, research and exploitation. Tourism has most certainly bright prospects in Pakistan when all its potentialities are exploited.

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INDUSTRIAL AND COMMERCIAL NOTES

INDIAN OILFIELD STARTS PRODUCTION

Commercial oil production began last August at the Ankleshwar oilfield, in Gujarat state, which has been developed with the technical assistance of Soviet Oilmen.

Ankleshwar oil is recognised to be the best in India. It will go to an oil refinery at Trombey owned by the Burmah-Shell company. Before long, however, it will be processed by national refineries. A site for the construction of the second oil refinery with a capacity of two million tons a year has been selected. It will be built with the assistance of the Soviet Union at Koyali, near Baroda (Gujarat State). The building of the first oil refinery, also in cooperation with the Soviet Union, has already been started at Gauhati (Bihar State).

JAPANESE WOOL TEXTILE INDUSTRY AND TRADE

During the first quarter of 1961 activity in the main sectors of the Japanese wool textile industry was in general higher than in the corresponding period of 1960 though compared with the immediately preceding quarter there was some reduction in output. The quarterly review of the industry published by the Japan Wool Spinners Association states that demand for wool products which reached record heights in 1960 continued to increase this year. The level of domestic consumption was well over that of the corresponding quarter a year ago but exports recorded their first quarterly decline since July-September 1948.

Imports of raw wool were 22 per cent higher than in 1960. Wool imports during the first quarter were higher than the previous quarterly record in July-September 1960. Domestic consumption of wool products (in terms of yarn used) amounted to 623 million lb., an increase of 14 per cent on the corresponding 1960 level. If

this rate is maintained a new record may be achieved in 1961.

MORE INDONESIAN TEA FOR UK

An increase of more than 2 million lbs. of Indonesian tea was exported to the United Kingdom during the first half of this year, compared with the same period in 1960 and 1959. According to figures issued by the British Customs and Excise Department, well over 7 million lbs. entered this country from January to the end of June. 1½ million lbs. came from the Anglo-Indonesian plantations in Java.

As a tea supplier to Britain, Indonesia at present ranks sixth after India, Ceylon, Rhodesia, Nyasaland, and Portuguese East Africa.

CZECHOSLOVAK LOAN FOR INDIA HEAVY INDUSTRY

Czechoslovakia is issuing credit to India for the amount of 400 million rupees to be used for the development of her heavy industry.

A plan for machine construction is planned at Ranchi to be built with the help of Czech technicians. Czechoslovakia is also preparing the construction of a central institute for machine tools which when completed will be given to the Indian Government.

SWISSAIR JETS TO THE FAR EAST

A particularly fast air service now links Europe with the Far East since the introduction by Swissair of Convair 880-M jets last month (September). Swissair is the first European airline to put this new type of jet aircraft into service. Cruising at 609 m.p.h. it reduces considerable distances to quite "short hops"; the aircraft flies, for instance, Karachi-Bombay in an hour and a half, Calcutta-Bangkok in two and a quarter hours, or Manila-Tokyo in three and three-quarter hours. Flying time London-Tokyo via Switzerland is now 21 hours 15 minutes, or almost a day less

than with the aircraft used by Swissair previously.

Swissair operates three jet services weekly to the Far East, terminating in Tokyo. All flights serve Karachi and Bangkok. In addition, the Tuesday flight calls at Cairo, Bombay and Manila, the Friday flight at Cairo, Calcutta and Hong Kong, and the Sunday flight at Athens, Beirut, Bombay and Hong Kong. The Convair 880-M jets seat 20 passengers in first class and 64 in economy class. There is also a 10-seat first-class lounge.

From the beginning of 1962 Swissair's Convair 880-M jets will be replaced on the Far East route by the even faster Convair 990 Coronado jets, of which the airline will operate five. The Coronado is a true second-generation jet, equipped with aft-fan jet turbines and "speed capsules"—two canoe-shaped bodies on the top of each wing which smooth the air flow and reduce drag. It will fly at 640 m.p.h. or 91 per cent of the speed of sound, making it the fastest jet aircraft in airline service in the world.

CHINESE AID FOR CEYLON TEXTILE MILL

An Agreement was signed last August between the Government of the People's Republic of China and the Government of Ceylon for the establishment of a Cotton Spinning and Weaving Mill at Pagoda, Dompe.

The mill, which is to be established under the Economic Aid Agreement between the two countries, will produce 10 million yards of popular varieties of cotton fabrics on a two-shift working. Provision is also made for additional spinning capacity to ensure the supply of 1 million lbs. of yarn to the Cottage Industries Department and private consumers of yarn.

A separate designs contract was also signed between the China National Complete Plant Export Corporation of China and the National Textile Corporation of Ceylon. According to this contract the Chinese will provide the design for the mill, including detailed drawings for the main factory building and auxiliary ser-

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vices covering air conditioning, workshops, godowns, boiler house, etc. This part of the work will be started almost immediately by the Chinese.

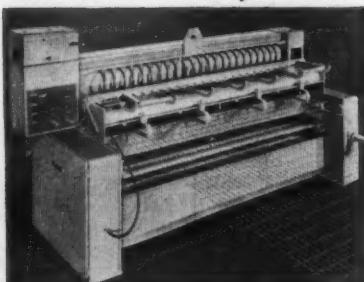
10-YEAR CREDIT FOR INDONESIA

Japan's overseas economic cooperation fund has given a loan to the Japanese oil company operating in North Sumatra to help the company meet its obligation of granting a 10-year credit of 18.8m. yen (about \$50m.) to Indonesia for oil development. In exchange for the credit Indonesia will export 5.6m. tons of crude oil to Japan during the same period.

SCHLATTER'S WIRE BUTT WELDERS SUCCESS

Small wire butt-welders, Models E and S, which owing to their robust construction and high-precision workmanship have proved eminently successful in the tough surroundings of the wire-drawing and wire-processing industries are giving dependable service almost in all countries of the world. So far over 8,000 of these machines have been produced and demand is growing year after year.

H. A. Schlatter Ltd., Zurich, which for nearly half a century have been engaged in the development and manufacture of resistance welding machines, and mesh welders for 15 years, have been exhibiting this year, in the company of Europe's leading welding-machine manufacturers, at the Engineering, Marine, Welding and



Schlatter's Wire Mesh Welding Machine for the manufacture of concrete reinforcement mesh

Nuclear Energy Exhibition, Olympia, London, the DVS Welding Show, Essen (Germany's largest exhibition of the welding industry), and the 7th European Machine Tool Exhibition, Brussels.

SWITZERLAND IMPORTS ANIMAL BY-PRODUCTS

Animal by-products such as wool, hair of all kinds, pigs' bristle, gut, skins, furs and raw feathers (for bedding) are being processed to an appreciable extent in Switzerland. Almost all countries of the Far East and of South-East Asia export some of these to Europe, but exports to Switzerland are rather low as Swiss users usually purchase them from British, Dutch, or German importers.

However, in recent years Messrs. Ernst

Debrunner, Zurich have considerably stepped up their imports of hair, bristles, feathers, etc., so that all exporters of such products are now able to deal direct with a Swiss firm specialising in this field.

QUADRUPLE CURRENT LOCOMOTIVES

The Geneva firm *S.A. des Ateliers Sécheron* which since 1884 have carried out pioneer work in the field of electric traction are the first in the world to have built dual frequency, and this year quadruple current, locomotives (16 2/3 and 30 cycles single-phase currents, 1500 and 3000 V direct currents).

By limiting their manufacturing programme to certain sections of the electrical engineering industry, namely heavy electrical equipment, traction, welding rectifiers, regulating equipment, they have been able to achieve a very high standard of quality for all their products and gain numerous markets throughout the world notably in Asia.

MOTOSACOCHE INCREASE THEIR EXPORTS TO ASIA

Motosacoche S.A., Geneva, leading Swiss manufacturers of two-stroke and four-stroke petrol and paraffin engines of 2 to 12 HP; generating sets from 400W to 500kW; and irrigation pumps are making their way into the Asian markets.

This firm is prepared to grant exclusive agency to Far Eastern countries.

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